

Statement of John Wilson
In support of the Commission on Health, Safety, and Workers'
Compensation
California Performance Review Commission Hearing
September 27, 2004

Introduction

Good afternoon, I am John Wilson, member of the Commission on Health, Safety, and Workers' Compensation. I commend your efforts to review the activities of California's many Boards and Commissions to determine whether they should or should not be continued. However, I am here to urge you to reconsider your proposed recommendation that this Commission be discontinued. I firmly believe that this Commission has proven its worth in its relatively short period of existence. Most of the significant cost savings in the recently enacted Workers' Compensation reform legislation came directly from Commission research reports and recommendations. I have been involved in the Workers Compensation industry for 43 years, and can relate to many actions and costly mistakes that were made because we didn't have the benefit of this type of research not only in California but other states as well.

- I am currently serve as an accreditation consultant to the California Association of Joint Powers Authorities.
- In 2002 I retired after 16 years as Executive Director of the Schools Excess Liability Fund (SELF), a statewide pubic agency, handling among other things an Excess Workers' Compensation program for many K-12 schools, Community Colleges, and the CSU system.
- I represent public employers on the Commission, and was appointed by Governor Wilson. I have been a Commissioner since 1999.
- I was a Gubernatorial appointee to the Fraud Assessment Commission from 1993 to 1998.
- A Trustee of the California Self-Insurer's Guaranty Fund. 1984 - 1989
- My career involves the Administration of Workers' Compensation programs in the Insurance Industry, Private Corporate Sector, and Public Sector. I've had direct responsibility for Workers' Comp administration in 16 different states.

- I've been active in a number of employer associations including serving

as Chair, Workers' Compensation Committee of the California Chamber of Commerce for over ten years until 1998.

Labor - Management Oversight is important!

- Workers' Compensation began in (1913) as a bargain between management and labor in California. They are the two parties most concerned with its success.
- Governor Wilson agreed to the creation of Commission in the 1993 reforms. In my view one of the most constructive ideas in that legislation.
- Workers' Compensation labor-management advisory commissions exist in over 30 states.
- They serve as a forum for discussion and oversight of the system and the many complex issues it entails
- They provide credible, policy-relevant research (prior to the Commission we did have excellent research done by the California Workers' Compensation Institute, California Insurance Rating Bureau, The League of California Cities, Chamber of Commerce, and I am certain there were labor studies as well. As good as some of these studies were they suffered from the perception that they contained the bias of their constituencies and were not well received for that reason.)
- Commission reports have pointed the way to reducing costs and targeting benefits appropriately to injured workers.
- Continued monitoring by an independent body is critical to determining the effectiveness of system reforms after they have been enacted (many in the past have not worked as planned)
- The Commission compares California performance to other states. This is important to preserving a competitive job climate in California.

No other organization in State Government can perform this service as well, because:

- Key stakeholders are involved and have a vested interest in ensuring that the process is credible.

Independent, peer-reviewed research is utilized for evaluation sources are:

- Universities
 - Research organizations such as the Rand Corporation
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- Stakeholders provide confidentiality-protected data.
 - The Commission was specifically established to oversee, evaluate and

make recommendations to improve California's health, safety and workers' compensation systems.

- On the other hand the Division of Workers' Compensation's primary mission is administration, not oversight, of the workers' compensation program.

How does the Community View the Commission?

- My peers frequently tell me it is one of the most productive units in the state.
- The Commission is nationally recognized as one of the most effective and efficient organizations of its kind.
- It has been lauded for its use of independent research, supported by community involvement.
- I continuously receive favorable comments from the public that our Commission staff is top-notch and works tirelessly to provide data, options, and recommendations. I am very proud to be associated with them.

Commission sponsors educational forums on critical issues!

- In 2005 three forums are planned in important areas one of special interest to me is on Terrorism, (New York's Workers' Comp system was directly impacted by the 911 attack, some of its offices and records were destroyed, and it responded well, we need to assure that California could do likewise!)
- In November we will host a forum on American Medical Association Guides, the new standard for rating disabilities in California effective January 1, 2005.
- In the past year and a half we have sponsored two well attended forums on Permanent Disability and Medical Issues which contributed ideas directly to the reform legislation.

Conclusion

- The Commission is important and vital to the continued and effective monitoring, evaluation and reform of the California's system.
- The Commission provides credible research and findings supported by the community on which improvements to the system can be based.

- The focus is appropriately on the primary, (employers and workers) not secondary, stakeholders.
- Commission has developed ten years of institutional knowledge that is important in providing long term ongoing information and perspective.
- We urge you to support the continuation of the Commission to carry on its valuable cost effective work in service to all Californians.

Thank you, for this opportunity to speak to you!